

COMMEMORATING THE 54th ANNIVERSARY OF ISRAEL'S STATEHOOD

• Mr. GRAHAM. Mr. President, on this date 54 years ago, the State of Israel was founded. Today, all over the world, friends of Israel are observing this anniversary of Israel's independence.

The United States, under President Harry S. Truman, was the first country to formally recognize the State of Israel in 1948. We have a legacy of a special relationship based on shared values, among them support for democracy and human rights.

Preservation of the integrity, vitality and sovereignty of Israel is the cornerstone of U.S. policy in the Middle East, as well as a fundamental prerequisite for winning the global War on Terrorism.

On this day, when Israel and its allies should be celebrating, instead we see daily acts of violence and acts of terrorism that have led to the loss of innocent lives. The ability of the people of Israel and of the region to lead normal lives has been shattered.

The United States is committed to leading the international community in ending the conflict and beginning the slow walk back to negotiations for peace.

I urge President Bush and his Administration to recognize the importance of ongoing U.S. engagement in the Middle East at this crucial time. As the world's sole remaining superpower and the leader of the efforts to eradicate terrorism from the Earth, our commitment to allies such as Israel cannot and must not falter.

Once a framework for peace is in place, and we pray that day will soon come, there should be no question that the United States recognizes we will be called upon to play an ongoing role in the region, and we are prepared to accept that role.

Again, we offer our congratulations to the State of Israel on its 54th anniversary. And we assure our Israeli brothers and sisters that we share with them their quest for peace and the dream of turning swords into plowshares so that they can raise their children and grandchildren in a region of harmony.●

HONORING INSIGHT COMMUNICATIONS IN LOUISVILLE, KENTUCKY

• Mr. BUNNING. Mr. President, today I rise to offer a proper salute to Insight Communications of Louisville, KY. The Cable Television Public Affairs Association recently presented Insight with the coveted Beacon Award in the category of education for introducing their "Young Women's Technology Fellowship" initiative to the Louisville Community.

The Fellowship initiative, which arose from a partnership established between Oxygen Media and Insight Communications, was a two-month

after-school program designed to provide advanced technical training and resources to twelve motivated young women who would typically be denied access to this level of technical education. During the curriculum, the young women were instructed to design an online magazine devoted to social issues. In the process, the girls were able to learn valuable computer applications as well as technical and journalistic skills while paying appropriate attention to social issues affecting the Louisville/Jefferson County community.

I applaud the efforts of Insight Communications and Oxygen Media. I would also like to thank these two organizations for their enduring commitment to education and service. The Fellowship program was an excellent forum for young women to not only learn invaluable technical and journalistic skills but also provide the community with pertinent information surrounding existing social issues.●

NATURAL GAS TRANSMISSION LINES AND ENHANCED COST RECOVERY

• Mr. BREAUX. Mr. President, the demand for natural gas is expected to increase tremendously in this country over the next 15 years. By some accounts demand for natural gas will go from approximately 23 trillion cubic feet in 2000 to over 31 trillion cubic feet by 2015, a 34 percent increase. The existing natural gas transmission infrastructure simply cannot accommodate this increased demand.

Natural gas offers an environmentally friendly and secure source of energy, and we must ensure that we have the infrastructure in place to meet this increased demand. Otherwise, we could suffer adverse environmental consequences and undermine the potential for economic growth, which depends upon safe and secure sources of energy. Natural gas also has the added advantage of reducing our dependence on foreign energy sources, which in today's environment, is a major advantage.

The Senate Finance committee took several steps to address this issue. Improving the depreciation period for natural gas distribution lines and clarifying that natural gas gathering lines are seven-year property is a step in the right direction. However, I am concerned that the bill we are now considering, as well as the House-passed energy legislation, does not address cost recovery for natural gas transmission lines. Reliable estimates indicate that we will have to build over 38,000 miles of additional transmission lines, a fifteen percent increase over current capacity, to deliver the increased amount of natural gas that will be required to meet the increased demand over the next fifteen years. My concern is that if the Congress determines that enhanced cost recovery is necessary to generate the additional investment re-

quired to meet this enormous demand, that it is necessary to address the entire natural gas delivery system, including both distribution and transmission lines.

There is no doubt that the demands for capital investment in this area are very large indeed. Industry studies show that the natural gas industry will require almost \$50 billion in new investment for pipeline transmission lines over the next fifteen years, over \$3.2 billion per year, to meet this demand. These expenditures also include the United States portion of an Alaskan Gas Pipeline, which offers tremendous potential for this country in meeting its energy needs.

These are daunting sums. I am very concerned whether this capital can be raised in both the current economic climate and under our current cost recovery system. Over the past year, the companies we depend upon to raise the capital required to build these transmission lines lost over \$60 billion in market capitalization. This situation will impede their ability to raise the necessary capital in the market. Accelerated depreciation will help alleviate this problem by increasing cash flow, thus reducing a company's need to borrow money to build additional pipelines and lower the cost of capital that must be borrowed to complete the projects. Our committee recognized as much, as did the House, when it chose to lower the depreciation period for natural gas transmission lines from 20 to 15 years. I supported this decision, but we may not be able to utilize fully this increased distribution capacity if we do not take similar steps regarding transmission. After all, natural gas will not arrive at the distribution point unless the transmission infrastructure is sufficient to handle the increased amount of natural gas required.

There is no question that the capital investment required to ensure that we have adequate transmission pipelines to deliver natural gas is very significant. There is also no question that Congress needs to examine the entire delivery system to ensure that the benefits of any improved cost recovery are utilized efficiently and do not produce unwanted bottlenecks.

I think it would be appropriate for us to review carefully the need for shorter depreciation periods not just for distribution lines but for natural gas transmission lines as well when this matter goes to conference. Any decisions regarding natural gas depreciation must be made with an eye towards their effect on the system as a whole, including transmission lines.●

LOCAL LAW ENFORCEMENT ACT OF 2001

• Mr. SMITH of Oregon. Mr. President, I rise today to speak about hate crimes legislation I introduced with Senator KENNEDY in March of last year. The Local Law Enforcement Act of 2001 would add new categories to current